

Franchise Model Perfect Fit For Seaford Veteran Entrepreneur

Bruce Johnston has great taste. After eating at a LEDO Pizza in Salisbury, Md., he knew he found the right business model for his hometown of Seaford.

When Bob Beall started LEDO Pizza in College Park, Md., in 1955, his goal was simple: to provide high quality food at a great value in a comfortable family atmosphere. As the business expanded to multiple locations, Beall turned to franchising. Today, the LEDO family consists of 70 locations along the East Coast, from Pennsylvania to Florida.

Freshness, consistency, and generous portions are the key to LEDO Pizza's success. Its signature thick, sweet sauce is made fresh daily from a recipe that hasn't changed in 50 years. Unlike many pizza chains that use frozen dough, LEDO dough is made from scratch every two hours. Its customers are won over again and again by the thin, flaky square crust.

Thanks to its wide variety of menu items including, appetizers, square pizza, calzones, strombolis, subs, salads and an array of Italian pasta dishes, LEDO Pizza quickly established itself as a popular family-oriented restaurant in the community.

After opening in April, 2002, Johnston's LEDO Pizza has reached a half million dollars in sales in just two short years in spite of major competition opening in the area. It's a testament to LEDO Pizza's quality food and exceptional customer service. Located in the Wal-Mart Shopping Center in Seaford, LEDO Pizza benefits from the constant traffic in the busy retail strip. Three major hotel chains also support the business by referring guests and utilizing LEDO pizza's banquet room and catering operations.

As a 20-year veteran of the Army and Army National Guard, Johnston recognized that a franchise was the ideal business fit to build on his structured, military background. One of the biggest advantages of a franchise is the bulk buying power, especially with the advertising and food products. When many restaurants were affected by the skyrocketing prices of cheese last summer, Johnston was unaffected thanks to LEDO Pizza's contracted price with its vendors.

The franchise model is especially helpful during the start-up phase of the business. LEDO Corporate helped with location; build out, suggestions for purchase of equipment and furniture. Prior to opening they even helped train the staff.

Johnston financed his start up costs with a \$300,000 U.S. Small Business Administration (SBA) 7(a) loan through the Bank of Delmarva. The financing was used to purchase the franchise, to build out the facility, purchase equipment and furniture, and to provide general working capital needs.

The SBA's 7(a) loan program operates through private-sector banks, which provide small business loans that are guaranteed by the SBA. By providing this guaranty, the SBA helps many small businesses like LEDO Pizza obtain financing to start, build and grow their operations. SBA lending to Delaware businesses tripled in the past four years to a record 290 loans totaling \$35,771,000. During fiscal year 2004, SBA lending to Delaware small businesses ranged from \$2,500 to \$2 million.

"I can't say enough about SBA's assistance in starting the business," said Johnston. "There is no truth to the misconception that the SBA's loan process is cumbersome. On the contrary, I found it to be very quick and streamlined. In fact, the fastest portion of the loan process for us was working with the SBA."

Johnston advises new entrepreneurs not to kid themselves – there are a lot of long hours, especially in the early stages. He equates the start-up phase of a small business to a new baby. As the baby gets older, it can do more on its own, just like the staff becomes more independent based on its learning curve.

He also advises new restaurant owners to take the time to get to know every job in the business. Every area is critical to a restaurant's reputation, including the counter, the dining room and especially the kitchen. It is all about coverage and smooth business operations. If an employee can't make it into work, the business owner or another employee must be prepared to step in to keep the business running. Cross training also helps to reduce long-term costs.

LEDO Pizza in Seaford offers a large private banquet room to accommodate up to 50 people. It features a 10-foot screen; two 20" flat screens, internet access, a Hitachi projection system. The room also features a Bose stereo surround system, wireless microphone for guest speakers, DVD, VHS, and Computer interface for power point presentations. In addition to business events, the banquet room is used for birthday parties, baby showers, little league parties, and to view major sporting events like football and NASCAR.

Johnston is constantly interacting with his customers who know him by name. The business' focus on customer service is widely recognized. In August 2004 the Seaford Chamber of Commerce honored LEDO Pizza with the "Exceptional Customer Service Award," as voted by the local community.

As LEDO Pizza celebrates their 50th anniversary this year, their slogan remains the same "We Don't Cut Corners." It's a slogan that Johnston lives up to every day for his customers. For franchise information, visit www.ledopizza.com or call (410) 721-6887.